

Corrective Action Plan for the year ended June 30, 2020

This has been some year! I am very happy that we were able to be in a good financial condition considering what the last few months have brought us.

General Fund

1. During the 2019-20 school year, Governor Cuomo closed all schools on March 13th and asked us to switch to remote learning for all students. This was a huge undertaking with not much guidance. Because our school buildings were closed to teachers and students, the district did have some cost savings in the areas of transportation, athletics, and utilities. When the pandemic hit New York, the State budget had already been completed with many revenue and expense assumptions that did not take into account the pandemic and its effects on the economy. In the last few months of the 2019-20 school year, the Governor informed school districts not to rely on the State Aid numbers they were given and to expect up to 20% cuts to State Aid for the 2020-21 school year. School district administrators across the State began to plan by using all cost savings in 2019-20 school year and allow the fund balance amounts to be more than 4%. Our school district did review all the reserves balance at the end of the school year and made all necessary adjustments before increasing the fund balance.
2. Summer handicapped costs are tracked by our Special Education department. The senior account clerk that is responsible for these calculations has done a great job preparing the schedules and working with our treasurer to record the expenditures correctly. Unfortunately the senior account clerk made some final changes to the schedule and did not inform the treasurer so she could make the final adjustments. We will work to coordinate this work better in the future.
3. In recording the teachers retirement expenditure for the 2019-20 school year, we recorded the expense to the district but mistakenly left out the employees' portion that they pay through withholding from their paychecks. This was an oversight and has not happened in the past.
4. During the 2019-20 school year, we transferred the \$1 million capital reserve that was recorded on the general fund to the capital fund to pay for expenses relating to the capital project. We were not familiar with the accounting rules relating to this. We have worked closely with our auditors and now know how to record a transfer correctly using revenue and expenditure codes instead of posting adjustments directly to the fund balance and reserve accounts.

School Lunch Fund

1. The district struggles with reconciling information we receive from Heartland, our on line parent payment program for school lunch. The auditor's suggestion of setting up an accounts receivable balance has proved challenging for us to do. We realize that this is something that we need to look into it further. Since all meals are free during the 2020-21 school year, the Heartland System will not be used. We will be receiving direct payments from NYS Child Nutrition this year instead so it will give us some time to research a solution.

2. We will work more closely with the School lunch manager to ensure that we get a full report of surplus food and record it correctly. This school year was difficult with COVID because the school lunch department was running a remote meal program and delivery service with limited staff to assist.
3. We will work more closely with the food service department at the end of the 2020-21 school year to have the accounts recorded to reflect the detailed schedules

Federal Fund

1. We obtained a listing of all the items included in the State and Federal Aid Receivable account as of June 30th from our auditors and our treasurer will update this schedule to ensure that all receivables are properly recorded.
2. As mentioned in 1 above, we will prepare schedules for State and Federal Aid Receivable balances for all of the funds.
3. The transportation costs for the summer handicapped program were obtained later in the summer and were not recorded on the schedule. This was an unusual summer with staff working remotely and our transportation supervisor leaving the district. We will have all staff work together next summer and record the transportation costs appropriately on the schedule and in the proper fund.

Trust & Agency

1. Upon recommendation of our auditors, we are setting up a separate account for the scholarships and have started a reconciliation schedule to record all scholarship deposits and payments. This will allow the auditing of the scholarship accounts to go much smoother next school year.

Extra classroom Activity Fund

1. Student general organization account has been used in prior years to help other activity accounts pay for things that they did not have enough funds to pay. Several years ago this account helped the Yearbook account pay for additional yearbooks. The new club advisors for the yearbook at the high school have corrected the issue going forward. We will work to resolve this negative balance before the end of the 2020-21 school year.

General Comments

1. Our treasurer will run a Due to/from Diagnostic report from NVision on a monthly basis to ensure the balances agree. If not, then we can research the difference and resolve it before year end.
2. The opening balances were mistakenly posted to the wrong accounts. Going forward, we will review the opening balances to ensure they are all recorded properly.